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TOWARD A DEFINITION AND MODEL OF EXPATRIATE SUCCESS(U) 1/1

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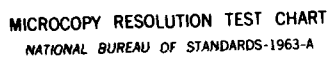
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20. ABSTRACT (Continue on reverse side if necessary and identify by block number) Expatriates in Turkey were interviewed about success, selection, training, compensation, and expectations-satisfaction-adjustment. Success of an expatriate is defined as effective performance of the assignment, personal satisfaction, and adjustment to local conditions. Some important determinants of expatriate success are identified and a model is proposed.		

TOWARD A DEFINITION AND MODEL OF EXPATRIATE SUCCESS

E.G. Nasif, W.H. Mobley and J.I. Reynolds

Texas A&M University

There is a criterion problem in defining successful expatriates. We must agree on what constitutes success if we are to evaluate the effectiveness of selection, training, and other human resource management programs for expatriates. Earlier research has given "reasons" for success or failure and lists of personal characteristics of the expatriate that contribute to success or failure. The criteria frequently are labeled as "success" or "failure", but clear operational definitions are generally lacking. Further, the determinants of successful or unsuccessful expatriate adjustments are inadequately specified. The purposes of this paper are to suggest an improved definition of and to propose a model of expatriate success.

A very comprehensive study of managerial effectiveness was made by Campbell, Dunnette, Lawler, and Weick (1970). Although they offered no propositions about international environments their model of determinants of managerial effectiveness (Campbell, et al, 1970, p.475) can be generalized to apply to expatriates. They studied the process of job behavior-job performance-organizational outcomes. In their model, factors that affect job behavior (managerial effectiveness) are:

1. Individual differences, 2. Task demands (including situational constraints),
3. Organizational reward structure, 4. Training and development experiences,
5. Organizational climate, and 6. Feedback from job performance and organizational outcomes. Individual differences that are said to affect job behavior are skills, aptitude, intelligence, personality, attitudes, interests, reward preferences, and expectations about goal accomplishment and reward contingencies.

A 20 to 40 percent failure rate on a foreign assignment has been estimated for the U.S. expatriates (Lanier, 1979; Tung, 1981; Reh fuss, 1982). The general lack of research based statements about success suggests that measuring expatriate failure is easier than measuring expatriate success. Failure due to technical incompetence is very rare in foreign assignments because most selection decisions are based primarily on technical competence. More frequently the reason for failure is related to behavior or adjustment. Family, culture, personality, and job related problems have been identified as major reasons for failure (Hodgson, 1963; Howard, 1980; Illman, 1980; Tung, 1981).

In an effort to help in the selection of expatriates, research about success on a foreign assignment has focused on generating lists of person characteristics that contribute to success rather than defining what constitutes success. The contingency approach in selection of expatriates suggested by Tung (1981), and the model of effectiveness of expatriates on technical assistance in developing countries suggested by Hawes & Kealy (1981), are closer to our purposes. Hawes & Kealey (1981) found that "realisitic predeparture expectations" was among the best predictors of overseas effectiveness. The personal characteristics of the expatriate that have been suggested to contribute to success are technical and managerial skills, interpersonal skills, certain personality traits (ie. being flexible, independent, etc.), cultural sensitivities (ie. adaptability-ease of accepting and adapting to new cultural environments, appreciation, respect, etc.), family considerations (ie. stability, adaptability, children, etc.), and language abilities (Gonzales & Negandhi, 1967; Haner, 1973; Desatnick & Bennett, 1977; Robinson, 1978; Tung, 1981; Fisher, Wilkins, & Eulberg, 1982).

Studies have shown that companies range from having no programs to extensive programs to prepare the expatriate for the assignment (Sieveking, Anchor, & Marston, 1981; Tung, 1981). Almost all studies have emphasized the importance

and necessity of training (Noer, 1975; Harris & Moran, 1979; Illman, 1980; Tung, 1981). Both Noer (1975) and Tung (1981) state that the spouse should be involved in the selection and training process. Further they advocate a prior, one week visit to the country of proposed assignment, with no obligations, and with the family. The training programs suggested include elements of technical and managerial training, cultural training, and language training.

The present paper reports the results of in-depth interviews with expatriates in Turkey.

Sample

Eleven U.S. companies, two English companies and one each from Germany, Holland, Japan and Romania agreed to participate in the study of their expatriates in Turkey.

A total of 28 expatriates were interviewed in their offices in Turkey during June and July of 1982. The majority were British (10) and the others were from the U.S. (4), Romania (4), Germany (3), France, Holland, Austria, Japan, Pakistan, Jordan, and Lebanon. The industries involved were banking, management consulting, hotel, chemicals, tires, tobacco, food, oil exploration, and engineering.

The sample consisted of 17 expatriates on managerial assignments (whom we will call managers) and 11 expatriates on technical-specific assignments (whom we will call engineers, although some were only technicians). The managers were in companies established in Turkey by multinational organizations. The engineers were on contracted jobs such as building a refinery or a chemical plant. The important descriptive characteristics of the sample are summarized in Table 1. As can be seen from the table, managers and engineers were under



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similar conditions in terms of current assignment duration, years on current assignment, tenure with their companies, and number of countries previously assigned. They had similar experiences of transfers and adjustments, which justifies combining the two groups into one for statistical treatments.

Table 1
Characteristics of the Sample

	Managers(n:17)	Engineers(n:11)	Total(n:28)
Sex	All male	All male	All male
Mean age	41.12 yrs.	46 90 yrs.	43.4 yrs.
Mean assignment duration	3.20 yrs.	2.73 yrs.	3.0 yrs.
Mean time on current assignment	2.47 yrs.	1.27 yrs.	2.0 yrs.
Mean tenure in current company	10.29 yrs.	12.72 yrs.	11.25 yrs.
Mean number of countries previously assigned	4.35	5.54	4.8
Mean number of languages spoken	3.82	3.0	3.5
Able to communicate well in Turkish	41%	18%	32%
College degree	76%	45%	64%
Married	76%	100%	86%
Wife accompanied	71%	36%	57%
Has children	59%	73%	64%
Child accompanied	47%	0%	29%

Procedure

The expatriates were interviewed about their transfer, new job, adjustment, compensation, selection, training, and success using a structured interview guide. The interviews were preceded by a short questionnaire for information about the expatriate and his job. The questionnaires also contained scales of general satisfaction about being in Turkey (6 items, reliability alpha 0.68), satisfaction about the job (3 items, alpha .72), adjustment to conditions in

Turkey (2 items, alpha 0.68), and a self rating of success on the assignment (1 item, five point scale). The questionnaires also included two questions about expectations, one about life in general in Turkey and one about the transfer and adjustment to Turkey. The qualitative data from the structured interview questions were content-analyzed by grouping responses under most frequently mentioned items. Additional qualitative information came from open-ended interview responses. The interviews last from one to two hours.

RESULTS

Success

Two interview questions were "How would you define success on a foreign assignment?" and "How would you propose to measure it?". Managers defined success as having three main elements; company performance, personal satisfaction, and adjustment to local conditions. Engineers too proposed three elements in a definition of success; meeting the terms of the contract, personal satisfaction from the assignment, and client satisfaction from the job done. The definitions which result from clustering of many answers to both questions are shown in Table 2.

Some general remarks indicated that it was easier to define extreme success or failure rather than the intermediate levels. It was also stated that measuring success is subjective in nature and that local constraints must be considered.

The self rating of success was interesting in that not one respondent thought he was "not successful". The distribution of 27 responses to this questions is as follows: exceptionally successful: 3.7%, very successful: 44.4%, successful: 44.4%, so-so: 7.4%, not successful: 0.0%. The validity of the measurement is limited due to the fact that is a self rating and one item measurement. The self rating of success correlated significantly with only two

Table 2
Elements of Success

<u>Elements</u>	<u>Frequency (1)</u>
MANAGERS	
Company performance (2)	17
Personal satisfaction & goals(3)	12
Adjustment to local conditions	6
Being accepted by locals	5
Hire & train a local successor	3
ENGINEERS	
Contract (4)	10
Personal satisfaction	4
Client satisfaction	3

- (1) frequency of being mentioned in the responses.
- (2) profits, market share, growth, public relations, innovations.
- (3) general & job satisfaction, monetary & nonmonetary goals, family life.
- (4) quantity, quality, profits, time.

variables in the study, age ($r = -.43$, $p < .01$) and college degree ($r = .31$, $p < .05$).
Younger and/or college graduate expatriates rated themselves higher.

When asked what major problems that had in Turkey, and what was keeping them from being more successful, the expatriates stated, in rank order of frequency; 1. Family related problems; 2. Bureaucracy; 3. Language and communication problems; and 4. Lack of recreation and entertainment. For managers, major family problems were childrens' schooling and family adjustment to local conditions. For engineers it was mainly being away from the family since most did not have their families with them.

Personal Characteristics

Expatriates in Turkey mentioned a variety of personal characteristics to look for in a person, when making a selection decision. The items mentioned

can be grouped in four categories; personality, attitude, professional skills, and family characteristics. A detailed list is given in Table 3.

Table 3

Personal Characteristics of a Successful Expatriate

<u>Personality</u>	<u>Frequency</u>	<u>Professional</u>	<u>Frequency</u>
Able & willing to get along with and help others	19	Competent-skillful-knows the job	25
Tolerant and patient	17	Experienced internationally	17
Happy with change and adaptable	15	Has language skills	17
Honest and frank	10	Flexible	13
Self confident	7	Acceptable to local staff and contacts	10
Rational - not emotional	6	Good in managing people	9
Independent in decision making	5	Has leadership skills	7
Intellectually curious	4	Responsible	6
Creative	3	Educated	4
Intuitive	3		
Resourceful	2		
Far seeing	2		
Has sense of Humor	2		
<u>Attitude</u>		<u>Family</u>	
Open minded	6	Adaptable	10
Interested in the job	6	Without accompanying school-age children	7
Willing to go	5	Physically healthy	6
Unprejudiced	4	Stable	5
Feeling international	2	Happy	3
Enjoyed living back home-not running away	1		

Training

Although 54% of the expatriates said that training for a foreign assignment is not necessary (a "sink or swim" approach), the rest (46%) of them suggested that some sort of a training program would help the expatriate. Their combined suggestions would call for a pre-departure training program with

the following elements:

1. Formal language training
2. General cultural training (cultural sensitivity)
3. Specific country training (life, people, culture, business, etc.)
4. Formal company training (technical, commercial, legal, etc.)
5. Meetings with nationals of the country
6. A visit to the country.

An interesting finding was that some of the subsidiaries in Turkey were being used as training grounds for "general manager" positions. Out of 17 managers in the sample, eight were general managers, seven of whom were in that position for the first time in their careers. All said that they had accepted the assignment because it was a promotion. In answering the question "What is good about coming to Turkey?", they mentioned the training and development aspect. They were receiving on the job training as general managers.

Compensation

Most of the expatriates were hesitant to give detailed information about the monetary amounts of their compensation. Managers and engineers differed in components of their compensation, as shown in Table 4, as should be expected because of the different types of assignment. The items in the table are not all-inclusive for any person or company. Respondents in general agreed that a good compensation package should; 1. be comparable to other expatriates' at the same location, 2. eliminate worries about little details in the transfer, and 3. allow for the cost of living of an expatriate family life style, not a local family life style.

Table 4

Expatriate Compensation Items

Managers

Base salary
 Overseas allowance
 (hardship allowance)
 Rent and utilities
 Insurance (med., dent., life,
 disability, travel, shipment, etc.)
 Paid home leave (4 weeks per year)

Retirement plans

Cost of living allowance
 Air fare (whole family)
 Car and driver
 Relocation allowance paid once
 (mobility allowance)
 Exchange rate protection
 Paid rest & recreation leave (1 week)
 Furniture and appliances
 Shipment/storage of goods
 School expenses for children
 Club memberships
 Savings plan
 Profit sharing plans
 Stock purchase plans

Engineers

Base salary
 Overseas allowance

 Living accommodation and utilities
 Full insurance

Twice a year home leave
 (2-3 weeks each)
 Pension plans

Daily living allowance (local
 currency)
 Car registration and tax

Expectations-Satisfaction-Adjustment

The significant correlations found are given in Table 5. Higher expectations before arrival about life in general in the country correlated with higher satisfaction in general about being in the country and also with job satisfaction. Expectations about the transfer and adjustment correlated positively with adjustment to the conditions in the country.

Satisfaction is found to be correlated with higher compensation, having had a promotion, knowledge of the local language, having a college degree, and being accompanied by family. Family accompanying the expatriate correlated with higher expectations about life, and higher compensation. Typically,

however, the family was not happy in Turkey if the previous location had been Europe or USA.

Managers in the sample, compared to the engineers in the sample, had higher compensation, had promotion in this transfer, were younger, more of them had college degrees, had their families with them, and were more satisfied about both being in Turkey, and also their jobs.

DISCUSSION

The findings summarized above can be put into a meaningful framework of expatriate success. Job performance, personal satisfaction, and adjustment seem to be the basic elements of a definition of success.

Job performance is the first element. Expatriates in this study have named it company performance or the contract depending on the kind of assignment they are on (managerial vs specific assignments). Important predictors were stated to be personality, attitudes, and professional traits, as shown in Table 3.

Personal satisfaction is another important element of effectiveness on foreign assignments. Results of this study suggest that it is related to expectations, family accompanying the expatriate, type of assignment, compensation, promotion, and knowledge of the local language.

Adjustment to local conditions is the third element. It is related to expectations about the transfer and adjustment before arriving in the country.

These relationships are all moderated by local conditions. Expatriates in this study emphasized the role of local constraints on "success on foreign assignments". Feedback, as suggested by Campbell et al (1970), is also an important element of this system of relationships.

Table 5

Statistically Significant Correlations

<u>Variable 1</u>	<u>Variable 2</u>	<u>r</u>
Expectations about life in general	Family accompanied	.39*
	General satisfaction	.37*
	Job satisfaction	.36*
Expectations (transfer & adjustment)	Adjustment	.75**
General satisfaction (being in Turkey)	Compensation	.45**
	Promotion this transfer	.44**
	Knows Turkish	.43**
	Being manager	.36*
	Family accompanied	.31*
Job satisfaction	Knows Turkish	.43**
	College degree	.39*
	Compensation	.34*
	Being manager	.31*
Family accompanied	Being manager	.62**
	Compensation	.61**
Previous location developed country	Family happy	-.37*
Being a manager (vs having a specific assignment)	Compensation	.77**
	Promotion this transfer	.72**
	Age	-.33*
	College degree	.32*
Age	Promotion	-.49**
	Compensation	-.35*
Tenure (with this company)	Compensation raise	.65**

* p < .05

** p < .01

Information about job behavior and its outcomes will affect attitudes, future expectations, and identification of training and development needs.

The relationships suggest a model of expatriate success, which is shown in Figure 1. Some hypotheses to be tested in future research can be suggested:

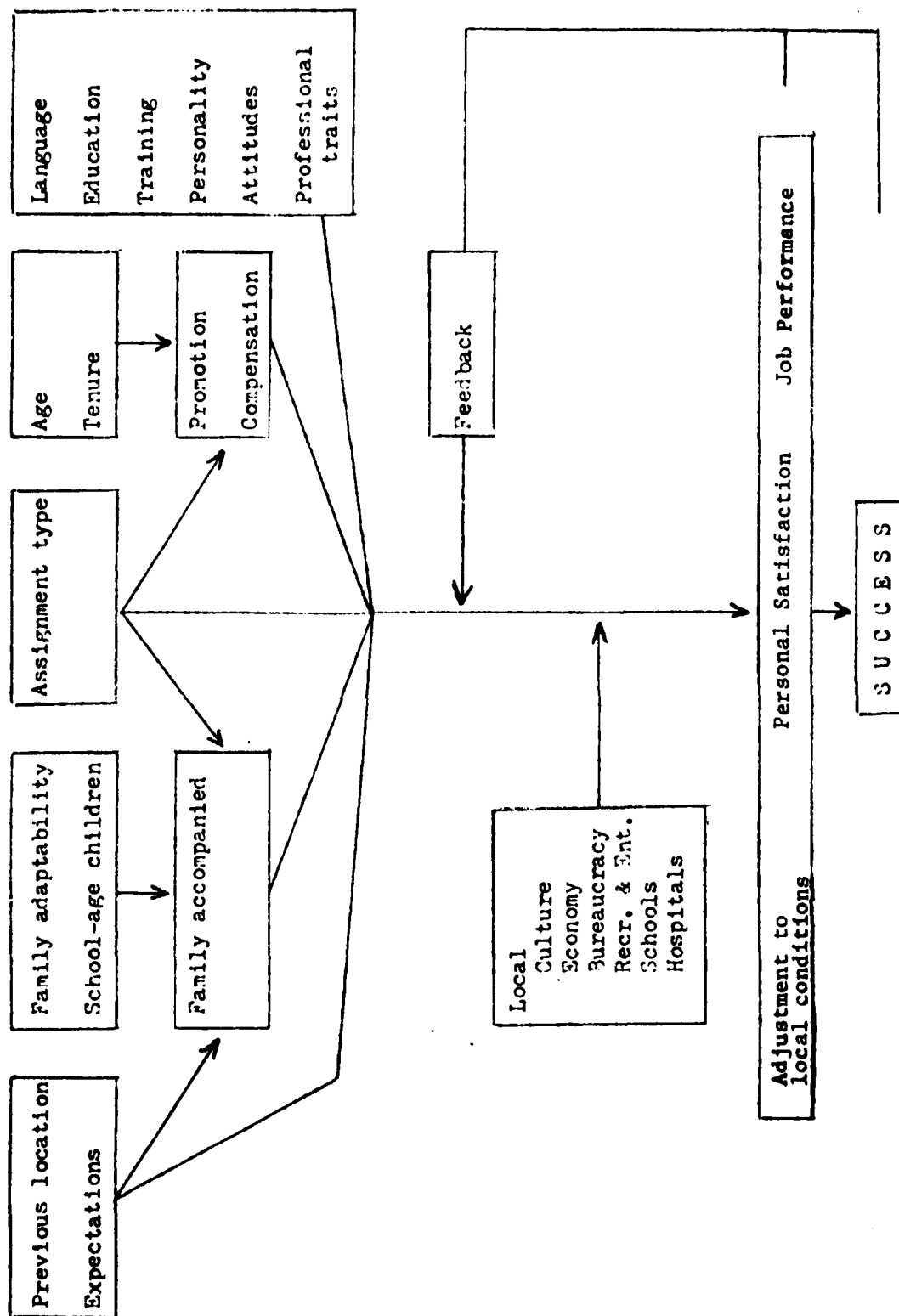
1. A move from a more developed to a less developed country will result in the family being unhappy if it accompanies the expatriate. The effect will be stronger in lesser developed countries.
2. Positive expectations about the transfer and adjustment will lead to easier transfer and adjustment of the expatriate.
3. Positive expectations about life in general and/or the job will lead to higher satisfaction from them.
4. Family accompanying the expatriate will affect adjustment to local conditions negatively, but once adjusted it will affect satisfaction positively.
5. Job performance will correlate positively with family happiness.
6. Promotion and compensation will correlate positively with adjustment and satisfaction.
7. Knowledge of the local language will correlate positively with adjustment and satisfaction. Relationship will be stronger in less developed countries.
8. Education, training, and experience will correlate positively with adjustment, satisfaction, and job performance.

CONCLUSION

Success on a foreign assignment can be defined as effective performance of the assignment, personal satisfaction from the conditions and the job, and adjustment to the local conditions. Some important determinants of success are identified in the model suggested. Implications for selection and training of expatriates are many.

Figure 1

MODEL OF EXPATRIATE SUCCESS



The exploratory nature of the study puts serious limitations on generalizability. The major benefit from this study will be in directing future studies. More rigor will be possible when the directions of the relationships are incorporated into multivariate longitudinal studies testing parts of the model, with larger samples in multiple countries.

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